

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

An Act To Impose an Excise Tax on the Extraction of Water for Bottling

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 36 MRSA c. 370-A is enacted to read:

CHAPTER 370-A

EXTRACTION of water for BOTTLING

§ 2831. Definitions

As used in this chapter, unless the context otherwise indicates, the following terms have the following meanings.

1. Bottled water operator. "Bottled water operator" means a person engaged in the business of bottling or packaging water for sale in containers of 5 gallons or less.

§ 2832. Excise tax

1. Imposition of tax. An excise tax is imposed on each bottled water operator that extracted more than 1,000,000 gallons of water in the previous calendar year for the privilege of engaging in the business of extracting groundwater or surface water from springs or other underground sources within the State for commercial bottling for sale.

2. Rate of tax. The excise tax is imposed at a rate of one cent per gallon of water extracted.

3. Payment. Each bottled water operator shall prepare and submit to the bureau a monthly report according to procedures specified by the bureau showing the total gallons of water extracted for bottling during the preceding month and other information required by the bureau. The tax must be paid each month to the bureau at the same time the report is submitted.

4. Records. Each bottled water operator shall keep a record of all water bottled in this State, and that record must be open at all times to the inspection of the assessor.

5. Enforcement. The tax imposed by this chapter may be enforced using the enforcement and collection procedures provided in chapter 7.

§ 2833. Application of revenues

1. Revenues. All revenues received by the bureau under this chapter after reduction for administrative cost must be credited to a General Fund suspense account. No later than the last day of each month, the State Controller shall transfer all revenues received by the bureau in the following manner:

- A. Twenty-five percent to the Maine Environmental Protection Fund established under Title 38, section 351 for use in watershed and water quality protection;
- B. Fifty percent to the Tax Relief Fund for Maine Residents established under Title 5, section 1518-A; and
- C. Twenty-five percent to the municipality where the water was extracted.

SUMMARY

This bill creates an excise tax of one cent per gallon on the extraction of groundwater or surface water from springs or other underground sources by a bottled water operator who extracted more than 1,000,000 gallons in the previous calendar year if the water will be packaged for sale in containers of 5 gallons or less. The revenue from the tax is applied 25% to watershed and water quality protection, 50% to tax relief for Maine residents and 25% to the municipality where the water was extracted in recognition that persons extracting large amounts of groundwater in Maine for sale benefit from the state and local groundwater protection activities.